

From: CN=Peter Cohen/O=JPMCHASE
Date: 04/02/2007 02:11:28 PM
To: CN=Sanjay Jain/O=JPMCHASE@JPMCHASE
Subject: Re: JPMorgan advises Sam Zell on the \$13.3 billion take-private of Tribune and will serve as Joint Bookrunner on \$11.2 billion of loan and high yield financing

Thx dude. Can you say ka-ching!!

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Inactive hide details for Sanjay JainSanjay Jain

From: Sanjay Jain
Sent: 04/02/2007 11:03 AM PDT
To: Joachim Sonne; Peter Cohen
Subject: Re: JPMorgan advises Sam Zell on the \$13.3 billion take-private of Tribune and will serve as Joint Bookrunner on \$11.2 billion of loan and high yield financing
congrats you guys. well done.
Inactive hide details for JPMorgan Telecoms, Media and Technology Investment Banking
JPMorgan Telecoms, Media and Technology Investment Banking
JPMorgan Telecoms, Media and Technology Investment Banking

Joachim X Sonne/JPMCHASE

04/02/2007 10:43 AM

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[IMA [IMAGE]
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[IMA [IMAGE]
GE] JPMorgan advises Sam Zell on the \$13.3 billion take-
private of Tribune and will serve as Joint Bookrunner
at \$11.2 billion of loan and high yield financing

[IMAGE]

[IMAGE]

This morning, Tribune and Sam Zell announced that they have entered into a definitive agreement to take the Company private in a two step transaction. In the first step, Tribune will repurchase 126 million shares at \$34.00 per share and refinance a portion of its existing debt. A newly formed, Tribune-sponsored employee stock ownership plan ("ESOP) will execute a merger agreement with the Company, as well as purchase \$250 million of Tribune common equity funded through a Tribune loan note. Also, a new LLC wholly owned by Zell will invest \$250 million to buy common stock and an exchangeable note in the Company. Following Step 1, Sam Zell will become a member of the board of Tribune. In the second step, a wholly owned subsidiary of the ESOP will merge with the Company, with Tribune as the surviving entity. All outstanding shares of common stock other than shares held by the ESOP will be converted to cash at \$34.00 per share, plus a ticking fee beginning January 1, 2008, to closing. The Zell LLC will invest \$315 million, using the cash proceeds and incremental \$65 million, to buy a subordinated note and a 15-year warrant entitling it to acquire 40% of Tribune's common stock on a fully diluted basis. When the merger closes, Zell will become Chairman of the board.

JPMorgan acted as exclusive financial advisor to Sam Zell and will serve as Joint Bookrunner on each tranche of the debt financing for this transaction.

Key highlights

- This transaction represents one of the largest LBOs and one of the largest transactions in the media sector

This ESOP LBO is the first of its kind

The unique ESOP structure used in this transaction will provide substantial tax benefits and deliver additional value to shareholders

The press release and a detailed case study are attached.

Please feel free to reach out to any of the deal team members with any questions.

JPMorgan team:

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[attachment "Tribune press release.doc" deleted by Sanjay Jain/JPMCHASE] [attachment

"TRB case study_final.ppt" deleted by Sanjay Jain/JPMCHASE]

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